

# **EDMONDS CITY COUNCIL APPROVED MINUTES**

## **October 30, 2012**

The Edmonds City Council meeting was called to order at 7:00 p.m. by Mayor Earling in the Council Chambers, 250 5<sup>th</sup> Avenue North, Edmonds. The meeting was opened with the flag salute.

### **ELECTED OFFICIALS PRESENT**

Dave Earling, Mayor  
Lora Petso, Council President Pro Tem  
Frank Yamamoto, Councilmember  
Joan Bloom, Councilmember  
Kristiana Johnson, Councilmember (arrived 7:06 p.m.)  
Adrienne Fraley-Monillas, Councilmember  
Diane Buckshnis, Councilmember

### **ELECTED OFFICIALS ABSENT**

Strom Peterson, Council President

### **STAFF PRESENT**

Al Compaan, Police Chief  
Jim Lawless, Assistant Police Chief  
Stephen Clifton, Community Services/Economic Development Director  
Phil Williams, Public Works Director  
Shawn Hunstock, Finance Director  
Carrie Hite, Parks & Recreation Director  
Carl Nelson, CIO  
Renee McRae, Recreation Manager  
Mary Ann Hardie, Human Resources Manager  
Debra Sharp, Accountant  
Frances Chapin, Cultural Services Manager  
Rob English, City Engineer  
Jeff Taraday, City Attorney  
Sandy Chase, City Clerk  
Jana Spellman, Senior Executive Council Asst.  
Jeannie Dines, Recorder

### **1. ROLL CALL – MOTION TO EXCUSE COUNCIL PRESIDENT PETERSON**

City Clerk Sandy Chase called the roll. All Councilmembers were present with the exception of Council President Peterson and Councilmember Johnson.

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER PETSO, TO EXCUSE COUNCIL PRESIDENT PETERSON FROM TONIGHT'S MEETING. MOTION CARRIED UNANIMOUSLY.**

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER PETSO, TO EXCUSE COUNCILMEMBER JOHNSON FROM TONIGHT'S MEETING. MOTION CARRIED UNANIMOUSLY.**

### **2. APPROVAL OF AGENDA**

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.**

### **3. APPROVAL OF CONSENT AGENDA ITEMS**

Councilmember Petso requested Item A, Approval of City Council Meeting Minutes of October 23, 2012, be removed from the Consent Agenda. Finance staff has requested an opportunity to review and make corrections to the minutes and return them for approval at a subsequent meeting.

**COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE THE REMAINDER OF THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:**

- B. APPROVAL OF CLAIM CHECKS #135001 THROUGH #135143 DATED OCTOBER 25, 2012 FOR \$605,749.78 (REPLACEMENT CHECK #135136 \$130.00).**
- C. 2012-2013 EDMONDS POLICE OFFICERS ASSOCIATION LAW ENFORCEMENT COMMISSIONED EMPLOYEES COLLECTIVE BARGAINING AGREEMENT.**

(Councilmember Johnson arrived at 7:06 p.m.)

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO RESCIND THE MOTION TO EXCUSE COUNCILMEMBER JOHNSON. MOTION CARRIED UNANIMOUSLY. (Councilmember Johnson was not present for the vote.)**

#### **4. AUDIENCE COMMENTS**

**Dale Hoggins, Edmonds**, on behalf of himself and Betty Deebach Gaeng, invited everyone to observe Veteran's Day at the Edmonds Memorial Cemetery and Columbarium on November 10 at 1:00 p.m. for a guided tour of veterans' gravesites and memorials. Over 400 veterans from Edmonds and Snohomish County, whose military service date back to the Civil War, are buried or memorialized in the cemetery. On Veteran's Day, each veteran site is marked with a flag or country. Both he and Betty are Edmonds High School graduates and members of the Alderwood Manor Heritage Association. Ms. Deebach Gaeng is a superior genealogical researcher and the author/compiler of the book, Etched in Stone, that contains the biography of the men whose names are etched on the memorial monument in front of the Edmonds Museum. He invited anyone with questions to contact him; his phone number is in the telephone book.

**Ron Wambolt, Edmonds**, referred to the 2013 budget, crediting Mayor Earling with presenting a budget that balances revenues and expenses. He thanked Finance Director Hunstock for producing a first class budget package, particularly the comparison of the 2013 budget to up-to-date estimates for 2012 rather than comparing to 2012 budget figures. He pointed out 2012 wages are estimated to be over budget and exceed 2011 by 5.9%. The 2013 budget includes represented and nonrepresented employees' salary ranges; he suggested this be expanded in the future to include actual salaries. A balanced budget means changes in service levels; he suggested citizens review the service level implications included in the Mayor's budget memo. The 2013 budget projects a General Fund balance at the end of 2013 of \$3.9 million in excess of the 16% Contingency Reserve Fund. Prudent use of some of that balance is an option, particularly for one-time expenses such as the code rewrite and as backup for the Risk Management Reserve Fund. Balancing the budget without service cuts or tax increases will be impossible as long as City employees receive annual COLAs plus 5% step increases until they reach the top of their salary range. For 2013, those increases are expected to amount to 7% for represented and nonrepresented employees. One solution is to reduce the number of employees; another alternative is to do as Fire District 1 did, seek concessions from the union, preventing layoff of some firefighters. The long term solution is to reduce headcount by obtaining efficiencies by amalgamating municipalities. He urged the public to attend the November 5 and 20 hearings on the budget and speak to the Council about the budget.

**Don Hall, Edmonds**, referred to the bargaining agreement approved on the Consent Agenda, stating it should have been discussed as an agenda item on tonight's meeting. Other cities, counties and the state inform citizens about the details in the bargaining agreements. He summarized it was wrong to approve the bargaining agreement on the consent agenda when the Council was interested in open government.

**Roger Hertrich, Edmonds**, referred to an *Edmonds Beacon* article written by former Fire Chief Tom Tomberg suggesting the Council reconsider their decision regarding the underpass. He noted while Mr.

Tomberg was the City's Fire Chief, he never heard him express a need for a tunnel or for pedestrian access across the railroad tracks. Next, Mr. Hertrich reported when the City of Bremerton built a similar underpass they experienced a number of cost overruns; it disrupted the business district and Bremerton now has an annual cost to support the tunnel. He summarized the tunnel was a poor example of open government as no studies have been done and there has been no public participation. He suggested contacting officials in Bremerton to learn more about their experience.

#### **5. MEDICAL INSURANCE COVERAGE CHANGE**

Reporting Human Resources/Parks & Recreation Director Carrie Hite explained this item is a recommendation for the Mayor to sign several forms in the packet regarding the medical insurance coverage change. She explained staff has been exploring options to change medical insurance since April. Goals included, 1) cost savings, 2) identifying a similar plan, and 3) access to claims data. The City's current preferred provider is AWC Trust. The recommendation is to change insurance to United Health Care, using Mercer as a broker. Staff has had many discussions regarding this change with employees and negotiations with SEIU, Teamsters, EPOA and law support. There has been very positive feedback from employees; all the bargaining units have agreed with the exception of Teamsters who will be discussing it tomorrow although they have indicated preliminary support for the change.

Council action is required tonight as the City has until November 1 to withdraw their announcement to AWC to change medical insurance; notice was provided to AWC on July 1. She referred to additional information distributed to the Council to clarify the employer pays 100% of premiums only for EPOA and law support; other employees pay 10% of their premiums. Information distributed to Council also includes an Acceptance of Insurance letter from United Health Care accepting Edmonds as insured. That confirmation was not available when the Council packet was prepared.

Ms. Hite recommended the Council authorize the Mayor to sign the agreements to allow staff to move forward on November 1. Open enrollment will be November 1-30; insurance is effective January 1, 2013.

**COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO AUTHORIZE THE MAYOR TO SIGN AGREEMENTS ALLOWING THE CITY TO CHANGE MEDICAL PPO HEALTH COVERAGE FOR EMPLOYEES. MOTION CARRIED UNANIMOUSLY.**

#### **6. DISCUSSION REGARDING THE VOLUNTARY SEPARATION INCENTIVE PROGRAM (VSIP)**

Mayor Earling explained this program, which allows employees to voluntarily separate from the City, was presented to the Council in August. Nine employees originally expressed interest; six were accepted given the program criteria; one employee subsequently withdrew. The intent of VSIP is to reduce salary expenditures by eliminating positions. The goal was to achieve a savings of \$400,000; actual savings will be \$488,731. One of the positions is paid by the Combined Utility Fund (\$86,760) for a total savings of \$575,491.

Councilmember Fraley-Monillas asked about the salary amount and medical benefits employees will receive. Mayor Earling answered it varies based on the length of service. The program announcement in the Council packet includes a formula for calculating salary and COBRA health benefits based on four levels, 0-5 years of service, 6-10 years, 11-15 years, and 15+ years.

Councilmember Buckshnis asked about Mayor Earling's efforts to ensure there are no voids in departments where an employee has left via the VSIP. Mayor Earling explained a considerable amount of time has been devoted to redistributing workloads in departments where an employee is leaving via VSIP. All departments feel the workloads have been adequately redistributed. Councilmember Buckshnis asked

how work will be distributed in IT when CIO Carl Nelson leaves via the VSIP. Mayor Earling answered Finance Director Shawn Hunstock will assume some of those duties. Ms. Hite clarified there have been some service level cuts via the VSIP. For example in the Parks & Recreation Department, the Office Supervisor is participating in VSIP; her position will be eliminated and the Cultural Arts Assistant Position will be moved into an Administrative Assistant position to provide support for arts, the director and payroll. The result is internal cuts as well as cuts to the arts program.

Councilmember Johnson inquired about the hours paid out at separation. Mr. Hunstock explained it is the balance of vacation, annual leave at separation and the appropriate portion, according to the bargaining unit contract, of any sick leave or accrued comp time balance.

**COUNCILMEMBER BUCKSHNIS MOVED, SECONDED BY COUNCILMEMBER FRALEY-MONILLAS, TO APPROVE THE VOLUNTARY SEPARATION INCENTIVE PROGRAM AND INCENTIVE PAYOUTS FOR THOSE VOLUNTEERING TO SEPARATE FROM THE CITY. MOTION CARRIED UNANIMOUSLY.**

## **7. BUDGET WORK SESSION**

Finance Director Shawn Hunstock advised responses to Council questions at the October 23 budget work session will be provided at the November 6 meeting prior to the public hearing.

Councilmember Buckshnis suggested Council questions be posted on the City's website so that citizens are aware that Councilmembers have asked a number of global questions in addition to questions asked at the October 23 meeting and that will be asked tonight. Mr. Hunstock answered that could be done.

Mr. Hunstock referred to a question regarding allocation of the savings due to bond refinancing, explaining a \$1.4 million savings was originally anticipated from the GO bond refinancing. Due to the low interest rates, a savings of \$1.9 million was realized over the life of the bonds. He will provide more details at next week's Council meeting during a presentation regarding the bond refinancing. The savings were allocated in accordance with the source of the original debt service. For example, the 2002 bonds issued for the benefit of the Edmonds Center for the Arts (ECA), the City provided an 8% match from REET revenue; with the bond refinancing, 8% of any savings attributable to that bond issue are returned to the REET fund.

Mayor Earling reminded Council that the 2013 budget is balanced. He requested any additions to the budget be balanced with a revenue source or other budget reduction.

Mr. Hunstock noted all the organization charts in the 2013 budget document reflect the elimination of positions via the VSIP.

### Police Department – Total Department (page 70)

Mr. Hunstock referred to the organization chart, explaining this organizational chart, reflects a total reduction of four FTE, one position eliminated via VSIP and three others.

Mr. Hunstock referred to page 71, explaining this chart reflects the total Police Department budget by division. He pointed out Prisoner Care was moved to the Non-Departmental Budget. In addition to moving Prisoner Care to Non-Departmental, the budget for Prisoner Care was also reduced from the amount budgeted in 2012 (\$531,050) to \$486,000, a decrease of \$45,000.

Councilmember Fraley-Monillas asked why Prisoner Care was moved to Non-Departmental. Mr. Hunstock responded Non-Departmental is used for uncontrollable expenses or expenses related to multiple departments. For example, Citywide Insurance is a Non-Departmental expense. With regard to

Prisoner Care, although the Police arrest individuals, sentencing and the length of time served is done by another department. Dispatch, Public Defender, etc. are other examples of Non-Departmental expenses.

Councilmember Fraley-Monillas asked whether there was a mechanism/tool to identify the department for expenses that were moved to Non-Departmental. Mr. Hunstock advised that could be added if the Council wished. There is reference on the Prisoner Care page that the expense was moved to Non-Departmental. At the time expenses were moved to Non-Departmental, he assumed that was noted in the department section of the budget document. This is the only expense that was moved to Non-Departmental this year.

Councilmember Buckshnis commented that she agreed with the statement that the collective bargaining agreement should have been an agenda item. She then pointed out the police overtime budget (page 72) increased \$50,000 and asked whether an employee contract could be drafted with the Police Chief and Assistant Police Chief to incentivize them to reduce/eliminate overtime. Mr. Hunstock explained page 72 reflects \$453,000 in overtime in 2011; the 2012 estimate is \$370,000. The 2013 budget is \$420,000. He clarified overtime costs are expected to be lower than budget. Police Chief Al Compaan pointed out the 2013 overtime budget of \$420,000 was the same as the 2012 budget.

Councilmember Buckshnis asked if there were ways to reduce Police Department overtime. Chief Compaan pointed out the 2012 estimate was \$370,000, a decrease of \$80,000 compared to 2011 actuals. He summarized the Police Department is doing the best they can to reduce overtime.

Councilmember Fraley-Monillas suggested the 2013 budget for overtime be \$370,000 if the 2012 estimate is \$370,000. Mr. Hunstock answered the 2013 budget for overtime could be decreased based on the 2012 estimate although the 2012 estimate is a projection and not a guarantee. Chief Compaan explained some of the overtime is reimbursable via grants for emphasis enforcement and other purposes. Overtime is unpredictable; for example last Friday's shooting resulted in overtime. The \$420,000 budgeted for overtime provides some cushion; if the cushion is removed, the Police Department still needs to do the work and will request the additional funds via a budget amendment.

Councilmember Fraley-Monillas asked if a cushion of less than \$50,000 could be provided. Chief Compaan answered it is a roll of the dice because overtime is unpredictable. He assured overtime money is never wasted; it is managed as carefully as possible. Councilmember Fraley-Monillas relayed her understanding that without a cushion or with less of a cushion, the Police Department may have to request a budget amendment. Chief Compaan agreed.

Councilmember Buckshnis asked whether having one less assistant chief and one less sergeant will result in less or more overtime. Chief Compaan answered it would not make a difference with one less assistant chief position as that was a nonrepresented position. The impact on overtime due to the loss of one sergeant and two police officers is unknown. Theoretically there could be a reduction in overtime if a certain amount of overtime is attributable to each position but the need for overtime is unpredictable.

#### Police– Administration (pages 74-75)

Mr. Hunstock referred to page 75, explaining the numbers reflect the loss of one assistant chief position. The reason Interfund Rental increased is the B Fund in the General Fund is being funded in the amount of approximately \$300,000. That was not funded in 2009 or 2012. It is the opinion of Public Works and fleet staff that funding could not be skipped a third year. All funds with equipment have funds included in their budget in 2013 to fund the B Fund for maintenance of the City's rolling stock.

Councilmember Fraley-Monillas referred to the travel budget for the total department (page 72), relaying \$26,000 was budgeted in 2012, the 2012 estimate is \$15,200, and the 2013 budget is \$26,000. She expressed concern the 2013 travel budget was \$10,000 over the 2012 estimate. Chief Compaan answered the 2013 budget is \$26,000, the same as the budget for 2012. The \$15,200 estimate for 2012 is likely low

when compared to 2011. Councilmember Fraley-Monillas suggested a reduction of four FTE in the Police Department would also reduce travel expenses.

Councilmember Fraley-Monillas referred to the Training budget on page 71, assuming that was training for the entire department. Mr. Hunstock explained page 71 is the budget by division, not object code; the Training line may include other expenses in addition to training such as travel, etc. Page 72 is by object code; the totals on page 71 correspond to the totals on page 72; it is simply a different way of dividing up the Police Department budget.

Councilmember Petso recalled when the departments made their initial budget presentation, the Police Department indicated the Street Crimes Unit would be eliminated. She asked the impact of losing that department. Chief Compaan answered three of the four positions that are being eliminated are in Field Services; one sergeant who is participating in the VSIP and two police officers, one of which has been vacant and the other via a planned retirement. To maintain staffing for uniformed patrol services, operations in the Street Crimes Unit were suspended. The Street Crimes Unit consisted of a sergeant and two police officers who worked plain clothes patrol, targeting burglary emphasis, registered sex offenders, prostitution, vehicle prowls, etc. Since beginning operation in 2009, the unit made nearly 400 arrests for a variety of crimes and was very instrumental in addressing the Puget Sound-wide burglaries last year. They were a wonderful interface between uniformed patrol and the detective unit and good at interfacing with similar units in other Police Departments. He was disappointed the Street Crimes Unit was being eliminated but tough decisions had to be made. He summarized he was not happy about any of the cuts but each department was required to do its part. He was hopeful at some point the Street Crimes Unit could be reinstated.

Responding to Councilmember Petso, Chief Compaan stated there was still a robust uniform patrol that responds to 911 calls. It does eliminate some flexibility in targeting the type of crimes he described.

#### Police Department – Records Management (page 76)

Chief Compaan explained the \$85,000 reduction in salaries should be reflected in Patrol. There has been a sergeant in Street Crimes and in Records Management. The sergeant in Records Management is participating in the VSIP. The sergeant in Street Crimes will transition into Records Management, net loss of one sergeant.

Councilmember Buckshnis asked Chief Compaan to describe Holiday Buyback and if it affects overtime. Chief Compaan explained Holiday Buyback is payment for the 11 holidays that Police Department staff work. It is a required provision of the collective bargaining agreements. It does not affect overtime. Holiday Buyback is part of the salary amount for pension contributions required by the State.

Councilmember Buckshnis asked whether the reduction in health insurance was reflected in the Police Department budget. Mr. Hunstock answered the health insurance change was not yet reflected in the Police Department budget; when the 2013 budget was prepared, EPOA had not yet approved the change to United Health Care. An offset, also not included, is the deferred comp contribution that is part of the collective bargaining agreement. Councilmember Buckshnis asked for an updated comparison. Mr. Hunstock agreed, advising preliminary estimates are approximately \$15,000 for the entire department.

#### Police – Investigation (page 77)

Councilmember Fraley-Monillas relayed a question from Councilmember Johnson regarding the low amount shown for 2012 estimated benefits (\$169,650). Mr. Hunstock advised staff will research that.

#### Police – Patrol (page 79)

Councilmember Yamamoto observed with the additional \$85,000 savings from Records Management, total salary savings in Patrol are \$160,000. Chief Compaan agreed.

Councilmember Fraley-Monillas asked whether the Police Department still had a dive team. Chief Compaan answered yes; Fire District 1 has the boat.

Mr. Hunstock pointed out the increase in the Interfund Rental budget was due to funding the B Fund, the increase is \$161,496.

Police – Special Operations (page 80)

Councilmember Fraley-Monillas asked whether this was different than the Street Crimes Unit. Chief Compaan answered Special Operations is expenses related to participation in SWAT.

Police – K-9 Unit (page 81)

Councilmember Buckshnis pointed out the 2013 benefit budget was much higher than 2012 estimate. Mr. Hunstock pointed out two changes that are not reflected; the change in health insurance offset by the deferred comp contribution. As wages increase, typically benefits also increase. There were also increases in other benefits such as L&I. Benefits may also be impacted by the person in the position; for example the health insurance premium for a single person is \$600/month versus \$2000/month for a married person with two dependents.

Police – Crime Prevention (page 82)

Chart shows prior year actuals only. No Council questions.

Police – Youth Services (page 83)

Chart shows prior year actuals only. No Council questions.

Police – Training (page 84-85)

Chief Compaan referred to the \$20,000 decrease in Miscellaneous; it was anticipated the Police Department would pay the Washington Criminal Justice Training Commission \$10,000 for each of the two new hires who attended the academy; expenses were not as high as the State originally indicated. The balance in Miscellaneous is training and travel expenses.

Police – Ordinance Enforcement (page 86)

Councilmember Buckshnis asked where revenue generated from licenses and tickets was reflected in the budget. Mr. Hunstock answered it depended on the type of revenue. He referred to Total Revenue by Fund (page 27) and Revenue by Type (page 32). Revenue from licenses could be in Licenses and Permits and tickets could be under Fines and Penalties. Councilmember Buckshnis commented if she wanted to increase animal licenses from \$5 from \$7.50 to help Animal Control be sustainable, the increased revenue would just “flow into the bucket.” Mr. Hunstock agreed.

Councilmember Buckshnis asked if revenue from parking tickets was included in the “big revenue bucket.” Mr. Hunstock agreed and explained cities do not track revenue by department in the General Fund. Based on the type of revenue, some revenue can be associated with certain departments such as permits.

Police – Traffic (page 87)

There were no Council questions.

Police – Property Management (page 88)

There were no Council questions.

Police – Prisoner Care (page 89)

Mr. Hunstock advised this was moved to Non-Departmental.

Police – Dispatch (page 90)

Mr. Hunstock advised this is the General Fund contribution to replace police radios and mobile computers. This was not funded in 2012 but is funded in 2013.

Drug Enforcement Fund (page 134)

Councilmember Fraley-Monillas asked if there would be impact on the Police Department budget if the marijuana sale and distribution initiative passes. Chief Compaan stated staff has not researched it much. If it passes, there will be a lot of unanswered questions such as the federal government's response. Oregon has a similar initiative on their ballot; a recent poll indicated that initiative is unlikely to pass.

Chief Compaan thanked Finance Department staff, particularly Mr. Hunstock and Ms. Sharp, for their assistance with reviewing the Police Department budget. He invited Councilmembers to email him any additional questions.

Mayor – Human Resources (page 54-55)

Mr. Hunstock explained some of the changes in the Human Resources budget are related to the addition of a Human Resources Analyst position authorized by Council earlier this year. The decrease in Professional Services primarily relates to not having the 2012 cost of the compensation consultant.

Mr. Hunstock relayed a question from Councilmember Buckshtnis regarding wages for Ms. Hite as the Reporting Director for Human Resources. He explained that cost is included in the Human Resources budget. Ms. Hite explained the Salaries budget includes a Human Resources Manager, a Human Resources Analyst which is currently being recruited, and 5% Reporting Director Special Duty Pay.

Ms. Hite relayed the impact of the 4% cut in the Human Resources budget:

- Reduction in supplies
- Eliminated onsite employee flu shots
- Reduced advertising budget
- Reduced budget for citywide tuition reimbursement program

Councilmember Petso asked how long Ms. Hite would be the Reporting Director for Human Resources. Ms. Hite responded the Council passed an ordinance related to Special Duty Pay for one year; it is up to the Mayor whether it would be for a year or end sooner. If it ended sooner, the Mayor would need to determine reporting duties for the Human Resources Department.

Councilmember Petso asked about the Human Resources Analyst's duties. Ms. Hite explained in the absence of a Human Resources Analyst, the City has utilized temporary personnel. The Human Resources Analyst will assume the duties of the temporary personnel as well as provide Human Resources expertise. She anticipated the Human Resources Analyst would minimize her work in the department as well as allow the Human Resources Manager to work at a manager/policy level.

Councilmember Fraley-Monillas asked if a manager must report to a department head or could they report to the Mayor. Ms. Hite stated the organization is up to the Mayor. It would have been difficult to have the Human Resources Manager report to the Mayor during the past year due to the number of large, difficult projects such as job description updates, personnel policies, Police contract, medical insurance, etc.

Councilmember Fraley-Monillas recalled previously there were only a Human Resources Manager and a Human Resources Analyst. She was unsure who the Human Resources Manager reported to at that time. Ms. Hite stated it is vital to have a Reporting Director for Human Resources as there are a lot of projects that need a higher analysis and policy-level thinking. She understood that previously the Administrative



Services Director provided oversight of Human Resources. She noted there was a great deal of work to be done in Human Resources and she was uncertain if directly reporting to the Mayor would be effective.

Councilmember Buckshnis thanked Ms. Hite for doing double duty. It was her understanding that the policy stated six months. Ms. Hite answered acting duty was six months; the ordinance the Council passed in April was one year for special duty. She explained acting duty was if there was a director position listed; the Council eliminated the Human Resources Director position. When then-Mayor Cooper requested she oversee the Human Resources Department, she was an acting director until January when the position was eliminated. In April the Council passed an ordinance related to special duty pay, specifically for a person who took on special duties, for up to a year.

Councilmember Buckshnis asked whether the personnel policy needed to be updated. Ms. Hite answered the special duty will be included in the updated personnel policies that will be presented to the Council shortly. Councilmember Buckshnis asked whether Ms. Hite spent 95% of her time in Parks & Recreation and 5% in Human Resources. Ms. Hite answered she did not.

Councilmember Petso suggested the Professional Services budget could be reduced and asked if there were any union negotiations in 2013. Ms. Hite answered the only negotiations is law support; that contract expires December 2012. The cost of the compensation consultant was removed; there has always been an amount in the Professional Services budget for special projects, negotiations or additional assistance in the Human Resources department. She pointed out the 2011 actual for Professional Services is \$26,298 and the 2013 budget is \$25,000. The \$67,000 in the 2012 budget and the \$57,000 in the 2012 estimate reflect decision packages for the compensation consultant.

Councilmember Petso assured she was not implying that she did not appreciate Ms. Hite's service in Human Resources. She recalled when the Council discussed reorganizing the Human Resources Department, comparable cities only had a manager and analyst and no director. She questioned if the 5% special duty pay and split duties would continue indefinitely. Ms. Hite responded the split duties would not continue indefinitely. The budget includes funds for a Reporting Director for Human Resources, whoever that is. She was uncertain that most comparable cities do not have a Human Resources Director; most comparable cities have more than two people in their Human Resources Department and often have 3-5. She offered to provide the Council further information. Mayor Earling agreed with Ms. Hite, the majority of comparable cities have more than two employees in Human Resources. He pointed out Ms. Hite had a considerable amount of experience and understanding of Human Resources issues from her prior employment in Kirkland.

#### Parks & Recreation – Total Department (page 104-105)

Ms. Hite explained the 2013 Parks & Recreation and Cultural Services budget is similar to 2012, less a 4.5% cut. She highlighted the cuts:

- Reduce seasonal parks labor – reduces corner flower beds, mowing, landscaping, trash pickup and restroom cleaning
- Reduce irrigation at neighborhood parks and ball fields – reduces water costs and need for mowing
- 1.5 FTE reduction at Frances Anderson Center – reduces recreation office hours and decreases service level in arts program
- Suspend General Fund Arts Fund transfer of \$15,000 until 2015, required by ordinance – eliminates one summer concert, the arts scholarship program and use revenues from the Write on the Sound Conference to fund arts programs
- Reduce beach range program, results in limited summer beach patrols, closing the visitor station at the fishing pier and reducing programs

Ms. Hite pointed out the 2013 budget includes a decision package for the Parks, Recreation and Open Space (PROS) Plan. The cost to update the plan, including the Community Cultural Plan update, is \$125,000. The PROS Plan expires in May 2014; to qualify for State grants such as the grant the City received for the Interurban Trail, the PROS Plan must be current. She proposed beginning the update in mid-2013 to include a public process in order to capture Edmonds citizens' wants, needs and desires. The decision package requires hiring a consultant; the cost could be spread over two years. If the Council only funded half the cost of the update in 2013, Mr. Hunstock cautioned the other half is not programmed into the 2014 projection. To the extent that half the expense is delayed until 2014 and the funds used for another permanent cost in 2014, there will be impacts to the 2014 budget and beyond.

Ms. Hite referred to the Cemetery Maintenance/Improvement Fund (pages 154-155), explaining the fund balance was used in 2012 and 2013. After 2013, the fund balance will be reduced to \$15,000 and consideration will need to be given to a subsidy to allow the cemetery to operate at its current level.

Ms. Hite explained the Parks & Recreation budget was developed with the same service level at Yost Pool. Yost Pool revenue in 2012 was \$124,000; direct cost expenditures were \$107,000 but that does not include Park maintenance staff, chemicals, utilities, water, etc. which total \$88,000. Including all costs, the subsidy to Yost Pool is approximately \$72,000. In talking with other Parks & Recreation Directors, she recognized pool subsidies are common other than for leisure pools that have a lot of play features. Pools promote healthy activity and citizens prioritize them and are willing to pay for them.

Councilmember Buckshnis asked how the funds generated by Write on the Sound are currently used. Ms. Hite responded the funds go into the Art Fund which is also used for arts programming. The proposal is to only use those funds for arts programming which resulted in one less concert and cuts to the arts scholarship program.

Councilmember Buckshnis expressed concern with the proposed 80% cut to the flower program when the Adopt-A-Flower Basket program was very successful, generating \$13,300. She asked if consideration had been given to Adopt-A-Corner for businesses and other measures that would allow the community to contribute. Ms. Hite agreed that was a possibility. She noted the reduction on page 105 was a very small portion of the cost of the flower program. The most expensive portion of the flower program is the two FTEs and the nursery to grow the flowers. The comment that the flower program was cut by 80% is not accurate; the cut is to seasonal labor associated with the flower program. There are still two FTEs associated with the flower program. Councilmember Buckshnis referred to the reduction from the 2012 estimate of \$34,977 to \$8,394. Ms. Hite responded the flower program is a \$170,000 program. Mr. Hunstock explained there are expenses in other funds in addition to the General Fund related to the flower program. There are two FTEs funded in the Parks Department that work in the flower program whose cost is reflected in the General Fund, not the flower program. If the cost of the two FTEs was included in the flower program, the program would be subsidized by \$150,000.

Councilmember Buckshnis suggested passing the hat at free concerts. Ms. Hite agreed that was a great idea. She noted the former City Attorney had concern with accepting cash in the park; she will work with Mr. Taraday on that issue.

Councilmember Petso asked about the reduction in hours at the Frances Anderson Center (FAC). Ms. Hite answered the hours at the FAC will be reduced by five hours a week, primarily evening and Saturday drop-in hours; the FAC will close at 1:00 p.m. on Saturdays. Councilmember Petso asked if the reduction would affect people coming to the FAC in the evening to shoot hoops. Ms. Hite answered it is possible.

#### Parks & Recreation – Administration (page 107)

Mr. Hunstock explained, as Ms. Hite mentioned, there is a 0.5 FTE reduction and a small decrease in Professional Services.

Councilmember Bloom asked for the definition of professional services. Mr. Hunstock offered to provide the generic description of the type of expenses paid under professional services. Professional services differ depending on the division; in Finance, the sales tax auditing/monitoring is a professional service. Councilmember Bloom asked what professional services were cut. Ms. Hite answered professional services in Parks & Recreation vary by division. In the administration budget, the professional services are monitors for contracted staff who monitor buildings during off-hour rentals. This line item is being reduced due to a transition to hired hourly staff, which is less expensive than contract staff.

Parks & Recreation – Recreation & Cultural Services (page 108)

Mr. Hunstock pointed out there has been a \$59,000 reduction in this division. Ms. Hite advised this category covers many recreation programs including children and adult classes, dance classes, camps, etc. The budget for 2013 for this division is \$907,000; revenues total \$691,000.

Councilmember Fraley-Monillas asked about supplies, observing 2011 actuals were \$1,947, the 2012 budget was \$33,506, the 2012 estimate is \$16,000 and 2013 budget is \$20,835. Ms. Hite responded these are recreational supplies. In 2012 the City received a Verdant grant to cover the supplies for the Cross-Fit Kids Camp. Enrollment was not as high as anticipated and not as much was expended on supplies. The 2013 budget anticipates spending some grant funds for recreational supplies. Councilmember Fraley-Monillas commented the grant funds are not shown. Ms. Hite answered the grant funds are included in the \$691,000 revenue she cited. The 2012 budget included an explanation regarding the Verdant grant.

Councilmember Buckshnis asked if consideration had been given to asking Verdant for a grant to subsidize Yost Pool. Ms. Hite answered staff has had several discussions with Verdant regarding several programs. Verdant is interested in new health-related programs, not necessarily paying for current programs. Verdant supported Hospital District-wide free swim lessons for all third graders. The City sent out swim vouchers to all third graders that were reimbursed by Verdant.

Parks & Recreation – Discovery Program (page 109)

Due to cuts in this program, Ms. Hite advised the budget for salaries should be approximately \$37,900, instead of \$65,246; and benefits should be \$8,247 instead of \$8,643. The 2013 budget total expenditure is \$51,582. The revenue for this program area is \$24,000. Mr. Hunstock advised the savings will be reflected on the spreadsheet of all the changes either Council or Administration has identified.

Councilmember Buckshnis asked whether consideration has been given to getting the groups to become non-profit, like Off Leash Area Edmonds that stewards the dog park and the City only picks up garbage. Ms. Hite answered that is always a possibility and worthy of exploration and discussion.

Councilmember Bloom asked if Parks & Recreation would exceed the 4% across-the-board reduction with this additional reduction. Ms. Hite answered \$10,000 was cut from this budget, the numbers simply do not reflect that.

Councilmember Bloom commented she was aware budget cuts were necessary but this environmental program seems like a good program. Ms. Hite agreed it was an excellent program, well loved by the community as is the flower program, park maintenance, etc. The portion of the program that goes into classrooms that has a broad impact on school children was retained.

Councilmember Petso asked if this program still had some utility program funding. Ms. Hite answered it does, it funds half the recreation coordinator who oversees this program. Her salary is not in this budget, it is in the Recreation & Cultural Arts budget. The salaries in this division are for the Ranger Naturalist and the summer Beach Rangers and Interpretive Specialist.

Parks & Recreation – Aquatics (page 110)

Ms. Hite advised the revenue for this division in 2012 was \$123,000; 2013 revenue is projected to be \$126,000. There is a surplus of revenue to operations, but that does not include Parks maintenance, chemicals or utility costs.

Parks & Recreation – Athletics (page 111)

Ms. Hite advised the revenue for this budget is \$110,000.

Parks & Recreation – Day Camps (page 112)

Ms. Hite advised the revenue for this program area is \$109,000.

Parks & Recreation – Fitness (page 113)

Ms. Hite advised the revenue for this program area is \$95,000.

Parks & Recreation – Gymnastics (page 114)

Ms. Hite advised the revenue for this program area is \$133,000.

Mr. Hunstock pointed out most of the recreation programs generate revenue; cutting a program that generates revenue does not result in any savings.

Parks & Recreation – Meadowdale Preschool (page 115)

Ms. Hite advised the 2013 budget for salaries should be \$25,628; the total cost is \$32,638. Proposed 2013 revenue for this program area is \$39,280.

Parks & Recreation – Parks Maintenance (pages 116-117)

Ms. Hite advised there is no revenue generated by this program area. She previously described cuts made to this program area.

Parks & Recreation – Flower Program (page 118)

Ms. Hite advised there is also approximately \$30,000 budgeted in the REET 125 for the flower program as well as funds in the General Fund.

Municipal Arts Fund (pages 141-142)

Ms. Hite answered \$15,000 is transferred from the General Fund by ordinance to this fund. That is one of the Parks & Recreation Department proposed cuts.

Councilmember Buckshnis asked if the ordinance would be presented to the Finance Committee. Ms. Hite answered yes; an amendment to the ordinance will be required to suspend the transfer until 2015.

Councilmember Bloom asked about the \$80,000 in professional services. Ms. Hite answered it is for the Write on the Sound Conference which generates revenue. She offered to provide Council revenues figures from the 2012 Write on the Sound Conference.

Councilmember Petso referred to professional services (\$11,000 in 2011, \$30,000 estimated for 2012, yet the 2012 and the 2013 budget is \$80,000). Cultural Services Manager Frances Chapin advised most of the \$80,000 was a set-aside for a public art project on the exterior of the Senior Center building that the Arts Commission felt was a priority; because of other projects, it has not proceeded. The amount varies year to year.

Memorial Street Tree Fund (page 143)

Councilmember Bloom asked what the fund is for and how it is allocated. Ms. Hite answered Parks Maintenance Manager Rich Lindsay recalled this fund was established when the Street Tree Plan was

adopted. Revenue from citizens who want to support the Street Tree Program is collected in this fund. Funds are expended from this fund and from Parks maintenance for street trees; there is not a consistent method.

Youth Scholarship Fund (page 146)

Councilmember Bloom expressed concern with reducing scholarships for summer recreational programs. Ms. Hite clarified expenditures from the fund are not being reduced; the fund balance will be used to continue providing the same scholarship levels. Staff will seek donations to replenish the fund.

Tourism Promotional/Arts Fund (page 147)

There were no Council questions.

REET 2 – Parks Improvement Fund 125 (page 148)

Councilmember Petso recalled Ms. Hite said some of the funding for the flower program was from one of the REET funds. She asked how that was possible in that the flower program was not a capital expense. Ms. Hite answered the State Legislature passed legislation two years ago (expires in 2015) that allowed the use of REET for Parks operations and maintenance. The City has often funded the flower program from REET. That was an issue in an audit prior to the passage of that legislation and the REET fund had to be replenished. Of the \$36,000 in supplies, \$30,000 is the flower program, and \$6,000 is flower poles. Councilmember Petso pointed out there was only \$29,000 budgeted for supplies. Ms. Hite indicated she would research that.

If the Council found reductions in the flower program unacceptable, Councilmember Petso asked if funding from the REET Parks Improvement Fund could be increased. Ms. Hite answered the Council could but it would impact other projects including set-asides for larger projects and/or the fund balance.

REET 1 – Special Capital/Parks Acquisition Fund 126 (page 149)

Mr. Hunstock pointed out the budget and actuals for debt principal and interest have decreased which reflects the impact of the bond refinancing. This included the anticipated \$1.4 million savings which was actually a \$1.9 million savings. This page will be updated to reflect the additional savings in 2013.

Councilmember Bloom referred to the \$200,000 budgeted for purchase of land. She asked what land was being purchased. Ms. Hite answered it was a placeholder in the event an opportunity to purchase land arose. She acknowledged it was not a lot of money but was an amount that could fit in this budget.

Gifts Catalog Fund (pages 150-151)

Ms. Hite advised the Adopt-A-Flower Basket revenue was allocated in this fund. Those funds can be used for the flower program in 2013.

Cemetery Maintenance/Improvement Fund (page 154)

Ms. Hite reiterated her previous comments that the fund balance is reduced to \$15,000 in 2013.

Parks Construction Fund (page 156)

Ms. Hite advised due to the success of community donations for the Hazel Miller Plaza, the CIP identified an \$80,000 transfer from the Parks Construction Fund back to REET 125 Fund. Mr. Hunstock advised that will be reflected in the 2012 estimate.

Councilmember Bloom asked about the \$1,887,500 in the 2013 budget for professional services. Ms. Hite responded the Parks Construction Fund is used to receive grants and transfers from REET. The 2013 budget includes City Park; staff expects a \$500,000 State grant if the State does not cut the budget for WWRP grant program. Another \$500,000 is allocated in the CIP for City Park Revitalization as well as \$300,000 in donations staff plans to seek for the project, a total of \$1.3 million. The budget also includes

Dayton Street Plaza. The other \$500,000 is for the Senior Center parking lot which is subject to a CBDG grant. The cost of those projects is all professional services as the work on the projects is outsourced. Mr. Hunstock referred to a project list on page 182.

#### Parks Trust Fund (pages 158-159)

There were no Council questions.

#### Cemetery Maintenance Trust Fund (page 160)

Councilmember Fraley-Monillas relayed the Cemetery Maintenance Trust Fund was established by ordinance. She asked whether use of the funds were restricted only by ordinance or were there other restrictions. Ms. Hite answered it was her belief there were other regulations on the trust. City Attorney Jeff Taraday advised he would need to research it; the fact that it is identified as a trust rather than a fund implies there are restrictions. Councilmember Fraley-Monillas agreed with researching it, noting it has a balance of \$800,000. Ms. Hite noted there is merit in building the trust large enough so the interest can be used as a self-sustaining structure for the cemetery. If the capital is spent and that structure eroded, an ongoing subsidy of the cemetery will be required. She noted other cemeteries have a similar trust and use the interest to maintain their cemetery. Mr. Hunstock commented investment income has been limited in recent years. Staff recently began purchasing CDs which provide a significantly higher return.

Councilmember Fraley-Monillas asked about the annual cost to maintain the cemetery including staff. Ms. Hite answered the cost to maintain the cemetery is \$150,000/year; that includes one FTE and supplies. Revenue is approximately \$120,000/year. The City has been subsidizing the cemetery by approximately \$30,000/year since the FTE was moved to the Cemetery Maintenance/Improvement Fund. It was her understanding the Cemetery Sexton was originally funded by the General Fund; when cuts were made in 2009, the budget for that position was moved to the Cemetery Maintenance/Improvement Fund. Councilmember Fraley-Monillas suggested the \$800,000 fund balance could fund the \$30,000/year subsidy for 5-10 years until the economy improves, particularly when consideration is being given to closing parks, eliminating programs, or staff layoffs or reducing services further. Ms. Hite agreed that can be investigated; the Cemetery Maintenance/Improvement Fund is balanced for 2013 which leaves time for that research. Mr. Hunstock said the goal is to cover the subsidy with investment income.

Mayor Earling declared a brief recess.

#### Public Works & Utilities (page 120-121)

Public Works Director Phil Williams reviewed 2013 project priorities:

- Water
  - Complete design, bidding, and construction of the 2013 water main replacement program including 7,500 feet of new mains (1.5 miles) and 80 new or replaced services - \$2.1 million
  - 7.5% rate increase in accordance with the 2010 Water Comprehensive Plan
- Wastewater
  - Lift Station Improvement Program - update/replace 12 of the City's 14 wastewater pumping stations - \$3.55 million
  - Design and construct over 5,000 feet of sewer main replacements - \$3,000,000
  - 5% Rate increase as a ramp-up to a new CIP from the upcoming Wastewater Comprehensive Plan

In response to a question regarding grants, Mr. Williams explained there are few grants for utilities as rates can be set to generate revenues. There are loans available; staff is pursuing a \$4.5 million Public Works Trust Fund Loan. He continued his review of 2013 projects/priorities:

- Stormwater
  - SW Edmonds Drainage Project (238th /104th) - \$650,000
  - Vactor Waste Decant Facility - \$300,000

- New NPDES Permit Compliance date - 08/01/2013
- Upgrade and revise maintenance procedures and frequencies
- Incorporate low impact development (LID) into development codes
- 8.0 % rate increase in accordance with the 2010 Stormwater Comprehensive Plan
- Transportation
  - Finalize design, bid, and construct the Five Corners Roundabout - \$3,124,000
    - cost increased from \$2.5 million to \$3 million due to inclusion of replacement of the old cast-iron waterlines in the intersection in the 2013 Waterline Replacement Program, funded by the Water Utility
  - Complete design/ROW in 2012/2013 for 228th/Hwy. 99 safety and access improvement - \$720,000 (\$4,073,000 Construction 2014)
  - Complete Design/begin ROW 76th/212th - \$450,000
  - Begin detailed design of Sunset Avenue Walkway - \$88k – 2013 (\$901k – 2014)

Mr. Williams emphasized the need to establish an on-going source of revenue for street preservation (pavement preservation) - \$1,500,000 per year.

Mr. Williams displayed and reviewed the Administration/Facilities/Engineering budget (page 122), pointing out the 85% increase in Interfund Rental to fund the B Fund. He reviewed the following:

- Administration (page 123)
  - Executive Assistant position reduced to 0.8 FTE saving \$11,000+
- Facilities (page 125)
  - \$52,000+ savings target reached through anticipated energy savings from the upcoming ESCO project and line item cuts.
  - Line item cuts will sharply reduce minor upgrades and replacements, i.e. carpet, paint, cabinets, etc.
  - Continue operating down one custodial position
  - Will need to do a budget amendment either now or in 2013 for the FAC Roof
- Engineering (page 124)
  - Need to deliver numerous significant capital projects in 2013 and beyond in all three utilities and transportation. 2013 budget includes a decision package for an additional project manager position fully paid for by savings, less expensive by half compared to hiring a consultant
  - Off-setting revenue from the Utilities for development review related to the City's rights-of-way, will meet \$52,000+ budget savings target. Interfund charges increased

With regard to the above offset, Mr. Hunstock explained to the extent development review is done for a utilities-related purpose, the Utility Fund would reimburse the General Fund for that cost. It is not shown as a budget reduction in the General Fund but as a General Fund revenue.

Councilmember Petso recalled funding for the decision package for an additional person in Engineering was to be from the Utility Fund only. She asked if the funding should be split if the person oversaw transportation projects. Mr. Williams agreed whatever projects are assigned to the new position, that capital project will be charged, not the General Fund. Mr. Hunstock explained in the list of decision packages, the cost is allocated 1/3 to each Utility Fund; it would be to capital projects within each of those Utility Funds. Mr. Williams assured if the person was assigned to a transportation project, their time/costs would be charged to the transportation project, which likely would be funded by a transportation grant.

Councilmember Fraley-Monillas asked if the additional engineer FTE was included in the budget. Mr. Hunstock answered none of the decision packages are included in the budget.

Councilmember Fraley-Monillas found it difficult to cut police while adding an engineer. Mr. Williams commented the decision package stands on its own merits because it will save money. These are funded projects for which the project management will be done by a new staff person or a consultant. Councilmember Fraley-Monillas asked about the funding source for the projects. Mr. Williams answered they have grant funding or capital funding via the utility. Councilmember Fraley-Monillas expressed interest in researching this further.

#### Water Fund 421(page 168)

Mr. Williams explained the Water Fund is presented differently in the 2013 budget than it was in the past. The sheet on page 169 includes both water capital and water maintenance. Previously the O&M for all three utilities was contained in Fund 411, Combined Utility Fund. He pointed out the beginning fund balance included assets such as the waterlines; of the \$17.6 million in the 2013 budget, there is approximately \$5 million in cash. He referred to Revenue Bond Proceeds in the 2012 estimate, explaining that was unlikely to occur in 2012 and would more likely be \$4.7 million in 2013.

#### Storm Water Fund (page 171)

Mr. Williams explained similar to the Water Fund, the Revenue Bond anticipated to be issued in 2012, will be issued in 2013.

#### Sewer / WWTP Fund (pages 174-175)

Mr. Williams referred to \$3.8 million in Revenue Bonds in the 2012 estimate, anticipating the Revenue Bond will likely be replaced with a \$4.5 million Trust Fund Loan at 1% interest for 20 years. He will provide further information regarding capital projects upon completion of the Wastewater Comprehensive Plan.

Councilmember Fraley-Monillas referred to a document provided by South Snohomish County Cities that indicated Edmonds' sewer and water rates are considerably lower than surrounding cities. Mr. Williams agreed Edmonds' sewer rates are quite favorable. He referred to page 175, \$6.5 million in expenditures for sewer and treatment plant capital projects.

#### Equipment Rental Fund (page 177)

Mr. Williams referred to 2012 estimated Interfund Income of \$1,052,791 and \$1,344,372 for the 2013 budget which reflects funding of the B Fund in 2013. The difference is the General Fund portion of the B Fund contribution, approximately \$300,000.

Mr. Williams provided a rate comparison of the average monthly single family utility bill changes (based on 500 cf/month without taxes):

<b>Utility Bill</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Water fixed fee	\$20.60	\$22.15	\$1.55
Water/HCF/748 gal	\$10.70	\$11.50	\$0.80
Sewer	\$25.32	\$26.59	\$1.27
Stormwater	\$10.47	\$11.31	\$0.84
<b>Total</b>	<b>\$67.09</b>	<b>\$71.55</b>	<b>\$4.46</b>
<b>Taxes</b>	<b>2012</b>	<b>2013</b>	<b>Difference</b>
Water fixed fee	\$3.85	\$4.14	\$0.29
Water/HCF/748 gal	\$2.00	\$2.15	\$0.15
Sewer	\$2.53	\$2.66	\$0.13
Stormwater	\$1.05	\$1.13	\$0.08
<b>Total</b>	<b>\$9.43</b>	<b>\$10.08</b>	<b>\$0.65</b>
<b>Grand Total</b>	<b>\$76.52</b>	<b>\$81.63</b>	<b>\$5.11 (6.7%)</b>



Councilmember Buckshnis asked why the Street Fund was asking for an additional \$100,000 from the General Fund. Mr. Williams answered revenue sources for the Street Fund, gas tax and TBD revenues are declining or not increasing, yet costs increase which does not leave enough money for operations and maintenance. Councilmember Buckshnis asked if the \$100,000 would be returned if the legislature increases the Councilmanic TBD authority. Mr. Williams answered if approved by the legislature, it would give cities with a TBD the option of adding an additional \$20. Approval by the TBD Board would be required. An additional \$20 vehicle license fee would generate an additional \$600,000/year. He suggested the additional revenue could be used to make up the difference between revenues and expenses for O&M and the balance be used for some pavement preservation.

Councilmember Buckshnis asked whether the new apartments on Edmonds way would increase the population and the annual vehicle fee collected by the TBD. Mr. Williams did not assume the 89 apartments generated 170 new residents; some were likely from elsewhere in Edmonds. He summarized the City's population is not increasing.

Councilmember Buckshnis expressed appreciation for Mr. Hunstock breaking out the enterprise funds and for including beginning fund balances, revenues and expenditures.

Councilmember Buckshnis asked if there would be an additional cost for fast tracking the Transportation Element to include an underpass. Mr. Williams answered hiring a consultant to fast track the Transportation Element would require funding. The source that was most likely to be receptive to a request for funding for a project was the Freight Mobility Board; unfortunately, the opportunity to make that request was last week. The City could apply for funding again in 1-2 years.

Councilmember Buckshnis asked if it was prudent to include a project in the CFP/CIP without having it in the Transportation Element. Mr. Williams answered the Comprehensive Plan was last updated in 2009; it will be updated again in 2015. The Comprehensive Plan could be amended to include that project; typically Comprehensive Plan updates occur every six years. Councilmember Buckshnis asked if the Comprehensive Plan amendment could be fast tracked to include the underpass so it can be included in the CFP/CIP. Mr. Williams stated the schedule could be compressed, and noted the funding opportunity that existed is no longer available, although he acknowledged there may be other funding opportunities.

**COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO EXTEND THE MEETING FOR 15 MINUTES. MOTION CARRIED UNANIMOUSLY.**

Mr. Williams relayed a question from Councilmember Yamamoto regarding rental of City buildings such as the Library, Boys and Girls Club, Museum, etc. Mr. Williams explained the library pays its own electric bill and direct labor costs for custodial work, the City pays the gas bill, and SnoIsle pays no rent. Neither the Boys and Girls Club nor the Museum pay rent. There is approximately \$900/month in rental revenue from the old Public Works building, the Chamber of Commerce pays some rent on space they occupy in City Hall, and \$200/month for the cabin.

Mr. Williams summarized:

- Public Works Department met and exceeded budget reduction targets for 2013
- Utility rate adjustments for 2013 are budgeted at 7.5% Water, 8% Stormwater, 5% Sewer
- Engineering Division Decision Package

Councilmember Bloom asked if there was one page that summarized Public Works and what budget reductions were made: Mr. Williams responded Public Works and Utilities only have three subfunds that the General Fund contributes to, Administration, Facilities and Engineering (page 120). In

Administration, an \$11,000 savings was realized by reducing the Executive Assistant position to 0.8 FTE. In Facilities, the \$52,000 savings will be reached through anticipated savings from the ESCO project and line item cuts such as carpet and paint. In Engineering, the \$52,000 savings will be from interfund transfer from Utilities to the General Fund for development review. He noted the propane conversion will save approximately \$60,000/year in fuel costs and will be reflected in several department budgets.

Councilmember Bloom asked how many engineers there are in Public Works, noting the decision package was for another engineer. City Engineer Rob English answered there are 12 FTEs in Engineering; 4 licensed professional engineers including him; the remainder are capital project managers, technicians and an administrative assistant. The position in the decision package would be an engineering technician or a capital project manager. Councilmember Bloom asked Mr. Williams to explain why he was proposing a decision package. Mr. Williams advised the water, wastewater and storm water utilities have numerous capital projects; those projects need to be managed. In addition there are numerous transportation projects with grant funding that need to be delivered in the next 3+ years. Rather than hire consultants for three years at a much higher rate, it would be preferable to hire an internal staff member to provide those services. The only reason is to save the City money.

Councilmember Bloom referred to the need for a code rewrite which affects all departments. She found it difficult to allocate funds for an engineer for Public Works without first addressing code issues and when Development Services was cutting one FTE. Mr. Hunstock explained it is not allocating funds to an engineering-type position that could be used for something else. The expense will occur; the money will either be paid to consultants at a higher rate or expended on a staff person at a lower rate.

Councilmember Petso referred to the utility rate increases, noting the water and stormwater have previously been presented to the Council; the 5% sewer rate increase is new. She asked whether a public hearing is required for a rate increase. Mr. Williams advised the change in the rates must be done by ordinance. That is scheduled for November 5.

Councilmember Petso asked whether Council has authorized construction of the Five Corners roundabout or only the design. Mr. Williams answered it is in the CIP; the Council approved the CIP, and funding is available. Councilmember Petso asked whether the contract had been awarded. Mr. Williams answered once the project is bid in the spring, a construction contract will be presented to the Council.

Councilmember Petso asked about funding the City received for 5<sup>th</sup> Avenue and whether similar funding could be obtained for other streets. Mr. Williams answered the Interagency Coordinating Committee (ICC) prioritizes federal funding allocated by Puget Sound Regional Council. The ICC recommended some funds be set aside for preservation; every jurisdiction had an opportunity to apply for funds. The waterline project on 5<sup>th</sup> from Elm to Walnut was used as a match to the grant funds to overlay the corridor as well as upgrade ADA ramps.

**COUNCILMEMBER PETSO MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO EXTEND THE MEETING FOR 15 MINUTES. MOTION CARRIED UNANIMOUSLY.**

Mr. Hunstock advised next week's Council meeting includes two public hearings, one on revenues and the other on the 2013 budget. He will provide a list of proposed changes and their impact on the 2013 budget at next week's meeting. The Council can prioritize the list or wait until budget deliberations on November 20.

## **8. MAYOR'S COMMENTS**

Mayor Earling looked forward to thousands of children coming downtown on Halloween. Due to concerns with limited lighting on Main Street between 5<sup>th</sup> and 6<sup>th</sup>, 100 flashlights will be provided at both ends of the street.

## 9. COUNCIL COMMENTS

Councilmember Petso corrected the statement she made last week regarding the zoning of the new buildings on Edmonds Way; the building that has two additional properties with like zoning is the building to the east, the larger building. Incentives in the current code allow a base height of 25 feet, 15 additional feet for a 4-foot setback and other requirements and an additional 5 feet for architectural features, which allows a 45 foot tall building. She met with staff and Mr. Taraday last week to discuss the zoning. There is staff support for having the Planning Board review the two zones to ensure the result of the incentive zoning is the desired outcome. She suggested a moratorium also be adopted so that development applications are not received while the Planning Board is conducting their review. Even if the Planning Board's review was expedited, it would not be completed until at least January.

Councilmember Petso recommended the referral to the Planning Board and a moratorium be discussed at the next committee meeting. She advised approval of four Councilmembers was necessary for City Attorney Jeff Taraday to draft a moratorium ordinance for view at the committee.

Councilmember Fraley-Monillas advised the next committee meeting is November 13. If the Planning Board can review the code by January, that leaves only six weeks, three of which are holidays. She agreed it needed to be discussed at the committee meeting.

Mayor Earling clarified staff was supportive of Planning Board review but took no position on a moratorium.

Note: The following comments made by Councilmember Buckshnis are provided verbatim:

*"I've had a number of conversations recently with fellow Councilmembers, citizens, Mayor Earling and our attorney and some directors regarding what I would classify as process issues as opposed to issues of substance. Yes, there are some process issues that are substantive but I would like to provide some examples to help all of us understand my thought processes.*

*Recently we have been looking over a number of resolutions that in my opinion deal with processes. As an example, currently there is an issue regarding Resolution 292, dated 1974, that apparently outlines how Council meetings should be handled rather than Roberts Rules of Order. This issue among other items such as thirteen ranking motions, meeting procedures, how Councilmembers should conduct themselves during and outside of meetings are all being reviewed by the Public Safety/Personnel Committee. Additionally, they have also worked on rewriting job descriptions.*

*While I'm not in any way criticizing this committee for taking on these tremendous tasks of updating these policies that for years have had little or no problems, my concern is that we are attempting to nitpick or micromanage everything that is not really our role to do as legislators. Sure, I'm guilty of micromanaging a bit when I saw that there were few policies or procedures in place in the finance area but I did not write those policies or procedures. I merely asked and provided examples. And then when I didn't get an answer, I asked and provided more examples and that was my role. I saw it as substantive and a process was left to the staff. So really it's a matter of looking at what really is a process and what really is substance.*

*When I retire, I'm not concerned that I will be remembered for not knowing the parliamentary procedures found in Roberts Rules of Order or that the thirteen ranking motions or other issues in this manual that I have read and understand. When I do retire, I want to be remembered for my consistent challenges to the City's financial team to change its financial reporting so that every fund is identified and every report reconciles. Do want to be remembered for making staff create policies and procedures so that we don't*

*see another Haines Wharf. I do want to be remembered for requiring significant changes to our budget amendments to ensure correct versions, correct numbering and that each amendment is documented and explained and that all numbers reconcile. In this regard, the Finance Committee can fully vet documents and instances such as removing the police holiday buyback which was similar to union furloughs which slipped through the cracks via the amendment that was approved at midnight City Council and thus causing much resentment among the unions.*

*I do want to be remembered for putting citizens' voices in the land use decisions. I also want to be remembered for requiring the first ever reserve policy for the City. I do want to be remembered, unfortunately, for having to put sanctions on a fellow Councilmember when in fact it was clear he acted not in the best interest of the City. I don't care if I'm criticized for not understanding Roberts Rules of Order or how to handle myself as instructed in Resolutions 292, 150 or any other outdated information in this manual. I can go on but I think you can all now catch my drift and I am almost out of time.*

*But what I do want to do is remember that the City Council has operated this way for many years. I will be asking Mr. Peterson to bring back these outdated resolutions, 292, 853, 150 to come to us in the following weeks and allow each of us to decide if we want to vote like me to remove these items before going over them and just move on.*

*Additionally, I would like to reconsider the executive session notes that we tasked Mr. Taraday to craft because once again, after I did my own research, after asking for empirical evidence from the committee and I found out that, yes, it is a huge issue and that I've spoken to a few prominent Mayors, former Councilmembers and a few fellow Councilmember friends. They of course have convinced me that I need to change my view on this.*

*Lastly, I'd like to speak to the cat containment law which I now understand is back in discussion in Public Safety. Whatever the outcome, I would like to bring forward a public hearing that both Ms. Petso and Ms. Fraley-Monillas requested. During the Halloween Howl at the dog park, I was bombarded by comments about sneaking in the cat containment rescission along with the off leash dog park laws. Just because tickets are not issued does not mean that the law is or was not enforced. I know of only one scoop the poop law and yet, do we want to remove that law from our books? It's the same idea.*

*So again, we need to look back at substances versus process. And I think we need to realize we cannot continue to micromanage our staff and the Mayor. Thanks for your time. Pray for the people and animals on the east coast."*

## **10. ADJOURN**

With no further business, the Council meeting was adjourned at 10:28 p.m.